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EIC-M-33  
CIA 448016

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in  
Room 2125, Temporary "M" Building  
26th and Constitution Avenue, N. W.

11 March 1954

PRESENT

25X1A9a Dr. Otto E. Guthe, CIA, Chairman  
[REDACTED] CIA, Vice Chairman  
Mr. Edward Ames, Federal Reserve  
Col. William C. Baird, Air Force  
Mr. H. S. Bennett, Navy  
Col. Lyman Bothwell, Army  
Mr. John Easton, JCS  
Mr. Robert Hirshberg, FOA  
Mr. Duncan Holmes, Army  
Col. James N. Kimball, Air Force  
Mr. Egon Neuberger, State  
Mr. Clarence Purves, Agriculture  
Mr. Fred Rossiter, Agriculture  
Mr. Howard Wiedemann, State  
Miss Marion Worthing, State  
25X1A9a [REDACTED], CIA, Executive Secretary  
[REDACTED] CIA, Principal Staff Economist

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 11 January 1954 (EIC-M-32) were approved.

DISCUSSION OF SELECTED PROJECTS IN THE EIC PROGRESS REPORT FOR JANUARY AND FEBRUARY

Follow-Up of Approved Surveys of Priority Deficiencies in Research

2. Discussion: There was general consensus that keeping track of the progress of research programmed and completed to fill approved priority gaps in their fields is a normal continuing responsibility of all subcommittees. In particular:

a. The EIC Secretariat should be kept informed as particular projects are programmed to fill gaps, and undue

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delay in the programming or completion of research recommended by the EIC should be called to the attention of the committee.

b. As individual studies in priority gap areas are completed, the subcommittee involved should appraise the extent to which each study fills the gap, and the remaining area in which basic research still needs to be done.

c. Any finished research project undertaken to help fill a priority gap should be discussed in the appropriate subcommittee sufficiently fully to clarify the extent to which its conclusions are generally "agreed" by the entire EIC community.

3. Action: The Secretariat was asked to extract this minute and circulate it to all subcommittees for their attention.

Responsibility for Surveys of Internal and External Research (EIC-S-11, EIC-S-13, and later revisions)

4. Discussion: Members were invited to express their view of the appropriateness of these surveys continuing to be undertaken by the EIC Secretariat - in view of the heavy burden of staff work involved and the possible usefulness of ERS/State as a coordinating center for continuing these listings. There was complete agreement that "internal" research should continue to be handled through the EIC mechanism since:

a. the continuing survey of the state of intelligence in the various areas of Soviet Bloc economics is a major continuing responsibility of the EIC and of its subcommittees. Our members are at all times actively considering the completed, in progress, and planned finished intelligence of other agencies, as an indispensable part of the planning of their own research programs.

b. furthermore, the individual subcommittees periodically review the published listings in order to correct errors and omissions in the original publications.

c. much of the "internal" research is particularly sensitive, and the rather extensive contacts necessary for locating such research are more easily handled by CIA personnel because of their recognized coordination responsibility for intelligence. The listings themselves, furthermore, should be more closely restricted for dissemination than might normally be the case for ERS publications.

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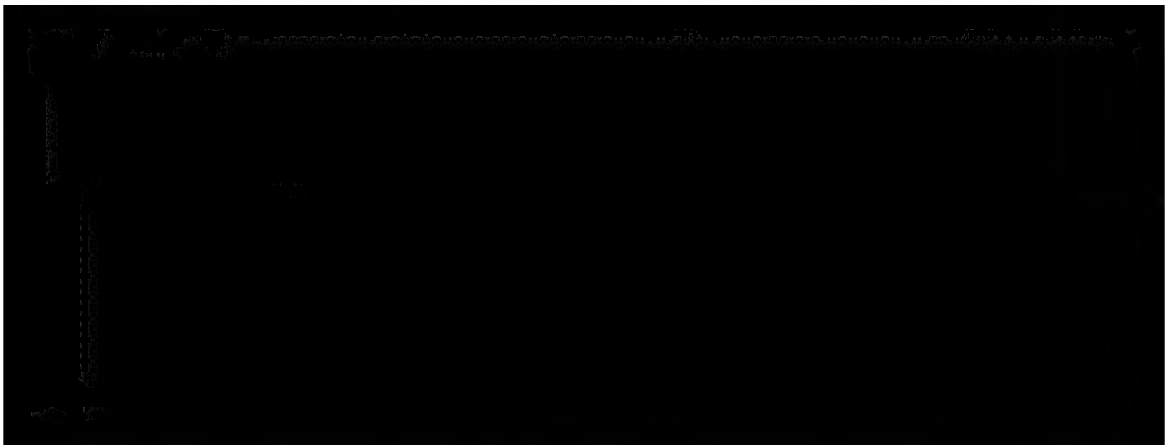
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As regards "external" research, certain members felt that here, also, the EIC should look to CIA personnel for staff work in maintaining a coordinated listing. Dr. Guthe pointed out, however, that CIA aids in supporting ERS financially as a common facility for coordination in the external research field. The EIC Secretariat would welcome a transfer of this responsibility provided the EIC can be assured that ERS is in position to replace the Secretariat's present service. As yet ERS has not demonstrated its capabilities by actually producing an acceptable independent survey.

5. Action: It was agreed that survey listings of internal research remain a principal responsibility of the EIC through its Secretariat. In the field of external research ERS should be encouraged to independently undertake the next quarterly supplement as a demonstration of its capabilities. Following publication of such a supplement by ERS the EIC will decide whether or not to continue publication with a six-month supplement to cover the first half of 1954.

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EIC-R-10. "PROBABLE ECONOMIC DEVELOPMENTS IN YUGOSLAVIA IN EVENT OF CURTAILMENT AND WITHDRAWAL OF FOREIGN ECONOMIC AID"

7. Discussion: A number of substantive changes in the wording of the general conclusions were proposed, most of which were accepted. 25X1A9a [REDACTED] the principal author, was complimented for his significant contributions to this document.

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8. Action: The publication of this document as an EIC report was approved in principle, with the understanding that the Secretariat would coordinate final alterations and clear the altered copy with interested agencies before printing.

SURVEY OF INTELLIGENCE ON ARMAMENTS INDUSTRIES OF THE USSR

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9. Discussion: Mr. Wiedemann, representing the Armament Subcommittee, explained the special emphasis on "collection" in this survey. [REDACTED] explained that detailed surveys of collection deficiencies in the fields of armaments, telecommunications, and railroad transportation were in an advanced stage of preparation and already under discussion with representatives of the Requirements and Collation Subcommittee. It is planned to devote the next EIC meeting primarily to a discussion of possible improvements in the coordination and formulation of collection requirements to fill the priority gaps in collection.

OTHER AGENDA ITEMS

10. The list of new nominations to the EIC and to various EIC Subcommittees had been distributed before the meeting. This called for no action other than "noting" by the individual members. Other items which had been listed on the agenda were deferred for interim action.

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Executive Secretary  
Economic Intelligence Committee

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